FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

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The Honorable Tom Lantos U.S. House of Representatives 2182 Rayburn House Office Building Washington, D.C. 20515

FEDERAL COMMUNICATIONS COURSISSION
OFFICE OF SECRETARY

Dear Congressman Lantos:

Thank you for your letter regarding the Commission's Billed Party Preference (BPP) proceeding. On May 19, 1994, the Commission adopted a <u>Further Notice</u> of <u>Proposed Rulemaking</u> in this proceeding. I have enclosed a copy of the <u>Further Notice</u> and press release accompanying it for your information.

The <u>Further Notice</u> sets forth a detailed cost/benefit analysis of BPP. This analysis indicates, based on the available data, that the benefits of BPP to consumers would exceed its costs. The <u>Further Notice</u> seeks comment on this analysis and asks interested parties to supplement the record concerning the costs and benefits of BPP. The <u>Further Notice</u> also invites parties to recommend alternatives to BPP that could produce many of the same benefits at a lower cost.

The <u>Further Notice</u>-also explicitly seeks comment on whether correctional facility telephones should be exempt if BPP is adopted. Specifically, the <u>Further Notice</u> seeks additional information on the effectiveness and costs of controlling fraud originating on inmate lines with or without BPP. The <u>Further Notice</u> also seeks comment on a proposal to exempt prison telephones from BPP if the operator service provider adheres to rate ceilings for inmate calling services.

BPP would not preclude prison officials from blocking or limiting inmate calls to specific telephone numbers in order to prevent threatening and harassing calls. Moreover, BPP would not affect the ability of prison officials to limit inmates to collect calling or to program telephone equipment at the prison site to block certain numbers.

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Thank you for your interest in this proceeding. I can assure you that the Commission will carefully examine all of the comments submitted in response to the <u>Further Notice</u>, including additional empirical data regarding the costs and benefits of implementing BPP and the impact of BPP on telephone service from correctional facilities.

Sincerely yours,

Kathleen M.H. Wallmar

Chief

Common Carrier Bureau

Enclosures



TOM LANTOS CALIFORNIA

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Congress of the United States House of Representatives Washington, **B**.C. 20515

August 9, 1994

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS

SUBCOMMITTEE ON INTERNATIONAL SECURITY. INTERNATIONAL ORGANIZATIONS AND HUMAN RIGHTS
SUBCOMMITTEE ON EUROPE AND THE MIDDLE EAST

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CHAIRMAN, PERMANENT UNITED STATES CONGRESSIONAL DELEGATION TO THE EUROPEAN PARLIAMENT CO-CHAIRMAN, CONGRESSIONAL HUMAN RIGHTS CAUCUS

The Honorable Reed Hundt Chairman Federal Communications Commission 1919 M Street, NW Washington, DC 20554

Dear Chairman Hundt,

It is my understanding that the FCC is considering whether to mandate a new system for routing "0+" calls. If this system is put into effect, and jails and prisons are not excluded, our local governments and agencies could stand to lose important revenues which help finance many worthwhile programs.

Some of the programs which will suffer from the imposition of the billed party preference include adult education, GED, job training classes, substance abuse and family counseling. Local governments warn that without these important telephone revenues, some of these programs could be eliminated or severely cut back. I am also concerned that the new system will not have adequate security protections or protections against fraud.

Should your agency find it in the public interest to mandate a new system for routing "0+" calls, I strongly urge you to exclude local jails and prisons.

Thank you for your consideration.

Cordially,

Tom Lantos

Member of Congress